

## Message Text

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ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 AID-20 IO-14 SAM-01 SAI-01 TRSE-00

OMB-01 EB-11 COME-00 FEA-02 FPC-01 AGR-20 DRC-01

INT-08 CIEP-02 NIC-01 /199 W  
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R 121115Z JUN 74

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 8304

INFO AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

USINT BAGHDAD

CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 KABUL 3656

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, EAID, EFIN, EMIN ETRD, ENRG, MASS, AF, UR

SUBJECT: RESULTS OF PRESIDENT DAOUD'S MOSCOW VISIT

REF: A) KABUL 3428; B) DAO KABUL MSG 0371 DTD 031050Z JUN  
74; C) MOSCOW -8967

SUMMARY: PRESIDENT DAOUD RETURNED FROM JUNE 4-8 MOSCOW VISIT  
PRESUMABLY WELL SATISFIED WITH RESULTS. HE OBTAINED  
ABOUT \$200 MILLION IN TWENTY-ONE PROJECT AREAS. DEBT RELIEF  
AND INCREASED PRICE FOR NATURAL GAS EXPORTS. DAOUD MAINTAINED  
TRADITIONAL AFGHAN COMMITMENT TO NON-ALIGNMENT, SKILLFULLY  
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QUALIFYING TO POINT OF REJECTION HIS TIMING ACCEPTANCE OF

SOVIET IDEA OF ASIAN COLLECTIVE SECURITY SYSTEM. FAMILIAR GOA POSITION ON PASHTUNISTAN ISSUE PROCLAIMED ONCE AGAIN, AND LANGUAGE OF JOINT STATEMENT ON RESOLUTION OF AFGHAN-PAK DISPUTES IMPLIED SOME SOVIET CONCESSION TO GOA VIEW. POLITICAL BENEFITS OF TRIP INCLUDE PROOF OF SUFFICIENT STABILITY OF REGIME TO ALLOW DAOUD'S ABSENCE AND REASSERTION OF FRIENDSHIP FOR GOA OF MOST POWERFUL NEIGHBORING MILITARY DOWNPLAYED FOR THIS VISIT. VISIT PRODUCED NO REAL SURPRISES.

1. AS EXPECTED PRESIDENT DAOUD WENT TO MOSCOW ON HIS JUNE 4-8 TRIP WITH SHOPPING LIST AND OBTAINED AGREEMENT FOR FURTHER ASSISTANCE. JOINT STATEMENT (WHICH IS PREDOMINANTLY RESUME OF VISIT AND POSITIONS OF EACH SIDE RATHER THAN JOINT COMMUNIQUE) STATES QUOTE MEETING THE WISHES OF THE AFGHAN SIDE, THE SOVIET SIDE EXPRESSED THE READINESS TO GIVE ASSISTANCE TO THE REPUBLIC OF AFGHANISTAN IN THE CONSTRUCTION AND SETTING UP OF A NUMBER OF PROJECTS. UNQUOTE. ACCORDING TO A DIPLOMATIC SOURCE WHO OBTAINED HIS INFORMATION FROM DEPFONMIN WAHID ABDULLAH, THIS READINESS AMOUNTS TO APPROXIMATELY \$200 MILLION FOR IMPLEMENTATION OF TWENTY-ONE PROJECTS. ACCORDING TO MIN/PLANNING KHURRAM'S PUBLIC STATEMENT, THESE INCLUDE QUOTE IRRIGATION AND POWER GENERATION PROJECTS, CONSTRUCTION OF COPPER SMELTING PLANT, CONSTRUCTION OF A SILO, GINNING AND TEXTILE MILLS, INSTALLATION OF CARRIER RADIO-TELEPHONE SYSTEM BETWEEN KABUL AND MAZAR-I-SHARIF, LABORATORY FOR ANALYSIS OF MINERALS, AND OTHERS UNQUOTE.

2. MOST AMBITIOUS PROJECTS ARE IN HYDROPOWER AND IRRIGATION COVERING 1.6 MILLION JERIBS (APPROXIMATELY 0.8 MILLION ACRES) ACCORDING CHURRAM. DEPFONMIN ABDULLAH HAS TOLD AMBASSADOR THAT THESE PROJECTS INVOLVE TWO NEW DAMS, ONE ON THE KUNDUZ RIVER AND ONE ON THE KOKCHA RIVER, BOTH IN NORTHEASTERN AFGHANISTAN. ABDULLAH SAID THERE HAVE BEEN PRELIMINARY DISCUSSIONS ON A MAJOR DAM ON THE AMU DARYA, WITH POWER AND WATER TO BE SHARED EQUALLY. HE INDICATED, HOWEVER, THAT FURTHER STUDY IS NECESSARY, AND THAT ANY SUCH PROJECT WOULD TAKE 10-15 YEARS TO COMPLETE. ACCORDING TO ABDULLAH, THE SOVIETS WILL ASSIST IN EXPANDING THE MAZAR-I-SHARIF FERTILIZER PLANT AND WILL CONSTRUCT A COPPER SMELTING PLANT

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IN LOGER PROVINCE. ACCORDING TO KHURRAM STATEMENT, SOVIET

UNION HAS AGREED TO STUDY QUOTE ECONOMIC AND TECHNICAL POSSIBILITIES OF UTILIZATION OF HAJIGAK IRON RESERVES UNQUOTE, ALTHOUGH ABDULLAH TOLD THE AMBASSADOR THAT THE SAUDIS ARE THE MOST LIKELY SOURCE OF ASSISTANCE FOR THE EXPLOITATION OF THE IRON RESERVES.

3. IN ADDITION TO PROJECT ASSISTANCE (BUT PRESUMABLY INCLUDED IN THE \$200 MILLION FIGURE), SOVIETS HAVE GRANTED GOA A TEN YEAR INTEREST FREE MORATORIUM ON REPAYMENT OF PREVIOUS LOANS VALUED AT 100 MILLION RUBLES. FURTHERMORE, THERE WILL ALSO BE A RISE IN PRICE OF AFGHAN NATURAL GAS EXPORTED TO SOVIET UNION AS OF NEXT OCTOBER. ABDULLAH TOLD THE AMBASSADOR THAT THE PRICE WAS INCREASED ALMOST 50 PERCENT. ACCORDING TO KHURRAM'S STATEMENT, AFGHANISTAN WILL EXPORT MORE

COTTON TO AND IMPORT MORE SURAR FROM THE USSR. FINALLY, IT WAS AGREED TO ESTABLISH A JOINT AFGHAN/SOVIET COMMISSION ON ECONOMIC AND TECHNICAL COOPERATION.

4. SOVIET PROPOSAL FOR ASIAN COLLECTIVE SECURITY SYSTEM ADDRESSED BY DAOUD IN BOTH KREMLIN LUNCHEON SPEECH JUNE 5 AND JOINT STATMENT. IN FORMER DAOUD REFERS TO COLLECTIVE SECURITY SYSTEM AS QUOTE COMMENDABLE IDEA UNQUOTE BUT FOLLOWS WITH STATEMENT THAT AFGHANISTAN BELIEVES THAT REAL PEACE WILL BE ACHIEVED ONLY WHEN ALL NATIONS RESPECT PRINCIPLES OF UN CHARTER. IN JOINT STATEMENT BOTH COUNTRIES CONSIDER THE CREATION OF SUCH A SYSTEM QUOTE WOULD MEET THE INTEREST OF ASIAN PEOPLES UNQUOTE. AS MOSCOW NOTES (REF C), FORMULATION INCLUDES REFERENCE TO "ALL STATES" AND IS QUALIFIED BY NEXT SENTENCE WHICH ESTABLISHES AS PRECONDITION OF CREATION OF SYSTEM QUOTE SETTLEMENT OF DISPUTABLE ISSUES THROUGH PEACEABLE MEANS AND ELIMINATION OF REMNANTS OF COLONIALISM...UNQUOTE. THIS IS STANDARD AFGHAN CAVEAT, CONCERNING PUSHTUNISTAN DISPUTE. ABDULLAH SAID HE STAYED UP UNTIL 4 A.M. WITH SOVIET FOREIGN MINISTRY OFFICIALS TO WIN ACCEPTANCE OF THIS LANGUAGE.

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ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 AID-20 IO-14 SAM-01 SAJ-01 TRSE-00

OMB-01 EB-11 COME-00 FEA-02 FPC-01 AGR-20 INT-08

CIEP-02 NIC-01 DRC-01 /199 W  
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R 121115Z JUN 74  
FM AMEMBASSY KABUL  
TO SECSTATE WASHDC 8305  
INFO AMEMBASSY ISLAMABAD  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
AMEMBASSY NEW DELHI  
AMEMBASSY TEHRAN  
USINT BAGHDAD  
CINCPAC

C O N F I D E N T I A L SECTION 2 OF 2 KABUL 3656

CINCPAC FOR POLAD

5. DAOUD'S KREMLIN SPEECH CONTAINS FAMILIAR SCORING OF PAKISTAN'S QUOTE ILLEGAL AND HARSH ATTITUDE TOWARDS OUR BALUCHI AND PASHTUN BROTHERS UNQUOTE AND THE IMPOSSIBILITY OF EXTINGUISHING QUOTE NATIONAL SENTIMENTS BY THE USE OF FORCE UNQUOTE. JOINT STATEMENT EXPRESSES SHARED HOPE THAT DIFFERENCES BETWEEN AFGHANISTAN AND PAKISTAN QUOTE WILL FIND SOLUTION THROUGH THE PEACEFUL WAY AND NEGOTIATIONS UNQUOTE. ABDULLAH TOLD AMBASSADOR THAT SOVIETS STRESSED IMPORTANCE, IN INTEREST OF DETENTE, OF PEACEFUL RESOLUTION OF PROBLEMS OF THIS KIND.

6. ABDULLAH TOLD AMBASSADOR THAT SOVIETS WELCOME AFGHAN EFFORTS TO RESOLVE IRAN-IRAQ DISPUTE AND INDICATED THEY  
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WOULD LEAN ON THEIR IRAQI FRIENDS TO REACH AN ACCOMMODATION WITH IRAN.

7. AS PREVIOUSLY REPORTED (REF B) THERE WAS INDICATION THAT AFGHAN MILITARY DELEGATION WAS STANDING BY TO GO TO MOSCOW IF NEEDED. ACCORDING TO ONE SOURCE IT MAY STILL BE SENT.

8. COMMENT: NOTHING IN ANNOUNCEMENTS OF SOVIET ECONOMIC COMMITMENTS IS SURPRISING. ALTHOUGH SIZE OF COMMITMENT IS IMPRESSIVE, IT REMAINS TO BE SEEN WHETHER AND OVER WHAT TIME SPAN THE PROJECTS WILL BE CARRIED OUT. ABDULLAH INDICATED THE TOTAL SOVIET AID COMMITMENT FOR THE FOURTH AFGHAN FIVE YEAR PLAN STANDS AT \$600 MILLION. KHURRAM'S STATEMENT NOTED QUOTE THESE PROJECTS WILL BE IMPLEMENTED IN THE FRAMEWORK OF A LONG-TERM PLAN, AND AFTER THE STUDIES ARE COMPLETED UNQUOTE. IT GIVES THE INFERENCE, AT LEAST, THAT THE AFGHANS WERE NOT WELL PREPARED WITH DETAILED PROJECT PROPOSALS. WE AGREE WITH MOSCOW'S ASSESSMENT THAT ESTABLISHMENT OF JOINT ECONOMIC

COMMISSION IS NOT SIGNIFICANT.

9. THE UNILATERAL DEBT RESCHEDULING WAS SOMEWHAT UNEXPECTED, ALTHOUGH GOA HAS BEEN ASKING ALL DONORS ABOUT DEBT RELIEF SINCE IT ASSUMED POWER LATE JULY. THIS SOVIET ACTION IS

LIKELY TO ENGENDER NEW REQUESTS TO US AND OTHER WESTERN DONORS, WHICH WE CONTINUE TO THINK UNWARRANTED BY AFGHANISTAN'S EXCHANGE RESERVE POSITION.

10. RAISE IN PRICE FOR NATURAL GAS, IF NOT MATCHED BY CORRESPONDING AND OFFSETTING RAISE IN SOVIET POL PRICES TO AFGHANISTAN. IS THE MOST SURPRISING ITEM. MINISTER OF COMMERCE CAME BACK FROM MOSCOW IN MARCH HAVING BEEN STONEWALLED ON ISSUE OF PRICE INCREASE (KABUL 2077). RECENT AGITATION IN IRANIAN PAPERS ABOUT SOVIET PRICE EXPLOITATION OF IRANIAN AND AFGHAN NATURAL GAS MAY HAVE CONTRIBUTED TO THE CHANGE OF POSITION (MOSCOW 8145).

11. AFGHANISTAN HAS NOT DEPARTED FROM TRADITIONAL POLICY OF NON-ALIGNMENT AS SEEMING ENDORSEMENT OF SOVIET IDEA FOR ASIAN COLLECTIVE SECURITY SYSTEM IS SKILLFULLY QUALIFIED TO POINT OF BEING NO ENDORSEMENT AT ALL. INTERESTING TO NOTE THAT  
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NEWS BULLETIN OF SOVIET EMBASSY IN KABUL PROMINENTLY FEATURES QUOTATION ON JOINT STATEMENT LANGUAGE "ACCEPTING" THE NOTION AND CONVENIENTLY DROPS PUSHTUNISTAN QUALIFIER.

12. DAOUD APPEARS TO HAVE WON TACTICAL VICTORY ON AFGHAN-PAK DISPUTE BY ENDORSEMENT OF "NEGOTIATIONS" RATHER THAN "DISCUSSION" WHICH IS ALL PAKISTAN IS WILLING TO ACCEPT. THIS LANGUAGE MAY RESULT IN AN INTERESTING SOVIET-PAKISTAN MINUET ON PHRASING ON JOINT STATEMENT THAT WILL PRESUMABLY CULMINATE PRESIDENT BHUTTO'S SCHEDULED MOSCOW VISIT.

13. LACK OF PUBLIC MENTION OF MILITARY AID OR COOPERATION AND EXCLUSION OF MILITARY FROM DAOUD'S ENTourage DO NOT NECESSARILY MEAN THAT DAOUD DID NOT RAISE MILITARY MATTERS, BUT IT DOES APPEAR THAT AFGHANS PUBLICLY WISHES STRESS ECONOMIC ASSISTANCE, TRADITIONAL AFGHAN COMMITMENT TO NON-ALIGNMENT, PUSHTUNISTAN ISSUE, AND FRIENDSHIP BETWEEN REGIME AND SOVIETS. THE VISIT HAS NOT ONLY SHOWN THAT DAOUD'S POSITION IS STRONG ENOUGH TO LEAVE THE COUNTRY, BUT MAY ALSO HAVE SOOTHED FOR NOW THE JITTERS OF THE MORE LEFTIST MEMBERS OF THE GOVERNMENT WHO SEE THEIR RANKS SLOWLY BEING THINNED OUT. AFGHAN OFFICIALS, SUCH AS KHURRAM AND ABDULLAH, WHO ACCOMPANIED DAOUD, SEEM MIGHTY PLEASED WITH DAOUD'S RECEPTION AND THE SUBSTANTIVE RESULTS OF THE TRIP.  
ELIOT

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## Message Attributes

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**To:** STATE  
**Type:** TE  
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